



MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-  
Clerk of the Board of Supervisors  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

At the meeting held September 25, 2007, the Board took the following action:

36

The following item was called up for consideration:

Recommendations as submitted by the Chief Executive Officer regarding use of additional Fiscal Year 2006-07 General Fund, Hospital Enterprise and Special Funds/Districts' Fund Balance in Fiscal Year 2007-08.

1. Approve changes and corresponding appropriation adjustments to the Fiscal Year 2007-08 General County Budget. These changes transfer \$365.0 million from the Appropriation for Contingencies to various budgets; increase appropriation that is fully offset by revenue; and transfer appropriation from one budget unit to another or redirect existing appropriation or revenue as a result of ministerial changes.
2. Approve changes and corresponding appropriation adjustments to the Fiscal Year 2007-08 Special Funds/Special Districts Budget, which are fully offset with various financing sources.
3. Authorize the Chief Executive Officer to execute a grant agreement with the National Parks Services in order to transfer funding from the Project and Facility Development Budget for acquisition of open space in Upper Solstice Canyon.

William T Fujioka, Chief Executive Officer and Debbie Lizzari, Senior Chief Executive Officer, addressed the Board.

In addition, Bryce Yokomizo and Sheila Shima, Deputy Chief Executive Officers, Raymond G. Fortner Jr., County Counsel, Patricia Ploehn, Director and Susan Kerr, Chief Deputy, Department of Children and Family Services, Cynthia Banks, Director of Community and Senior Services, Don Wolfe, Director of Public Works and Commander Alexander R. Yim, Sheriff's Department, answered questions posed by the Board.

(Continued on Page 2)

36 through 36.10 (Continued)

36.1

Supervisor Burke made the following statement:

“In light of the continued need for expansion of services to the homeless population in South Los Angeles, I believe that the County of Los Angeles must continue to support its partners as they assist families and individuals progress toward long term self-sufficiency.”

Therefore, on motion of Supervisor Burke, seconded by Supervisor Yaroslavsky, unanimously carried, the Board directed the Chief Executive Officer to:

1. Appropriate one-time funding in the amount of \$500,000 from the Second District's portion of the Homeless Prevention Initiative Fund to the Los Angeles Homeless Services Authority (LAHSA) for the purpose of sustaining 168 additional shelter beds at New Image Shelter in Service Planning Area 6 ("SPA 6"), to be utilized pro-rata for a 12-month period beginning October 1, 2007 through September 30, 2008;
2. Work with the Los Angeles Homeless Services Authority to ensure the following provisions are met prior to allocation of the funding:
  - That the funding be contingent upon submission of a substantive plan for reliably sustaining an appropriate number of emergency shelter beds on an ongoing pro-rata basis beginning October 1, 2007 through September 30, 2008 that will not include or require any future infusion of one-time dollars.
  - That long-term options be explored for the SPA 6 area that would lead to development of a sustainable continuum of support that deemphasizes the emergency shelter model, such as the establishment of a stabilization center, development of permanent supportive housing and other innovative models that assist individuals in transitioning out of homelessness; and
3. Work in concert with LAHSA to provide the Second District with quarterly reports on the expenditures and remaining balance of the \$500,000 allocation to New Image Shelter.

(Continued on Page 3)

36 through 36.10 (Continued)

36.2

Supervisor Burke made the following statement:

“The County of Los Angeles is responsible for providing healthcare to the indigent and uninsured populations. In addition to meeting state and federally mandated licensing and accreditation requirements, the County must ensure that these services are provided responsibly in adequate facilities. Unfortunately, due to a lengthy period of deferred maintenance and other issues, some of our facilities have deteriorated to substandard and unacceptable conditions. Hubert Humphrey is one of the clinics serving the surrounding MLK Hospital area. Humphrey has been greatly impacted with increasing patients as a result of the closing of MLK Hospital.

“While plans were initially developed and funded over 10 years ago for maintenance and upgrades of Hubert H. Humphrey Comprehensive Health Center, such plans never came to fruition. Consequently, Humphrey is in dire need of maintenance and critical repairs which have been deferred too long. Continuing the provision of public healthcare in Humphrey’s present physical state of deterioration without addressing its deferred maintenance and essential upgrades would be irresponsible. Additionally, such conditions could endanger the facility’s standing when reviewed for licensing and accreditation in the future.

“I therefore recommend that the Board direct the Chief Executive Officer (CEO) to immediately work in conjunction with the Director of Health Services (DHS) to complete its pending comprehensive assessment of Hubert H. Humphrey’s deferred maintenance and upgrade needs;

“I further recommend that the Board direct the CEO to identify \$3.5 million and re-program funds previously intended for improvements at Humphrey, under the management of MLK Hospital, to be utilized in the execution of the deferred maintenance and upgrade plans for Hubert H. Humphrey Comprehensive Health Center;

(Continued on Page 4)

36 through 36.10 (Continued)

36.2 (Continued)

“In addition I recommend that the Board direct the CEO to work in conjunction with the Director of Public Health to expeditiously complete its pending assessment of deferred maintenance and possible facility replacement of South Health Clinic, including the identification of funds to be allocated for the completion of all necessary work; and

“Finally, I recommend that the Board direct the CEO to report back with his findings and plans of action to execute the directives herein within 7 days.”

William T Fujioka, Chief Executive Officer addressed the Board.

After discussion, on motion of Supervisor Burke and by common consent, there being no objection, the Board instructed the Chief Executive Officer to take the following actions:

1. Immediately work in conjunction with the Director of Health Services (DHS) to complete its pending comprehensive assessment of Hubert H. Humphrey's deferred maintenance and upgrade needs;
2. Work in conjunction with the Director of Public Health to expeditiously complete its pending assessment of deferred maintenance and possible facility replacement of South Health Clinic;
3. Report back with his findings within 7 days; and
4. Identify those funds that were previously allocated for maintenance and upgrades for Hubert H. Humphrey approximately 10 years ago, what happened to those funds, determine how much of those funds are being held by the Department of Health Services and/or where those funds were utilized.

(Continued on Page 5)

36 through 36.10 (Continued)

36.3

Supervisor Knabe made the following statement:

“The San Pedro Service Center has been serving the San Pedro community since 1972. There is a wide array of services in place at the Center, ranging from a senior meals program, child care center, computer classes, food pantry, toy loan center, and more. However, a shortage of space and the overall condition of the building - while structurally sound - has left something to be desired.

“Over the past several months, I have worked closely with many of the groups that use the Center on a regular basis. It is apparent to me that the space needs for the Center has outgrown its current configuration, and that substantial modifications are required to ensure that the Service Center – which has served the San Pedro community so well - remains a great resource for the community for another 35 years and beyond.”

Therefore, on motion of Supervisor Knabe, seconded by Supervisor Molina, unanimously carried, the Board instructed the Chief Executive Officer to transfer \$2.5 million from Fourth District Capital Project funds into a capital project account established for facility renovation of the San Pedro Service Center.

36.4

Supervisor Knabe made the following statement:

“The Long Beach Multi-Service Center for the Homeless is operated by the City of Long Beach. It is designed to provide one-stop access to resources for individuals and families experiencing homelessness within the City of Long Beach. The “MSC” serves as the point of entry for an array of comprehensive supportive services provided by a growing continuum of non-profit agencies.

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36 through 36.10 (Continued)

36.4 (Continued)

“On any given day, almost 5,000 individuals are living on the streets of Long Beach, representing approximately 5% of the total number of homeless identified Countywide in the 2005 Homeless Count, and almost 40% identified in the Fourth Supervisorial District. The City of Long Beach has developed a strong, multi-agency continuum of care that is recognized as a model for addressing the pervasive issue of homelessness in their city. As the entry point into that growing continuum, the Multi-Service Center will require substantial modifications and upgrades to accommodate new programs and homeless services planned.

“I therefore recommend that \$2 million be transferred to the Project and Facility Development budget and direct the Chief Executive Officer to execute a funding agreement with the City of Long Beach to transfer such funds to the city for substantial modifications and upgrades to the City of Long Beach Multi-Service Center for the Homeless.”

William T Fujioka, Chief Executive Officer answered questions posed by the Board.

After discussion, on motion of Supervisor Knabe, seconded by Supervisor Molina, unanimously carried, the Board instructed the Chief Executive Officer to transfer \$2 million from the Fourth District Capital Project budget to the Project and Facility Development budget; and to execute a funding agreement with the City of Long Beach to transfer such funds to the city for substantial modifications and upgrades to the City of Long Beach Multi-Service Center for the Homeless.

36.5

Supervisor Knabe made the following statement:

“The recently discovered \$32 million budget hole in the Department of Children and Family Services (DCFS) budget is clearly a setback, from both a programmatic and a financial standpoint. The fact that this unanticipated gap was attributed to both the failure of County budget staff to factor in the cost of additional staff that our Board approved for the Department in the past several years, and that staff had knowingly prepared an 07-08 budget that overstated the amount of revenue DCFS would be receiving – is beyond explanation.

(Continued on Page 7)

36 through 36.10 (Continued)

36.5 (Continued)

“These recent developments have only further exacerbated concerns I have raised on numerous occasions that we are pouring County funds into DCFS at a rate that far exceeds any match we are required to provide, to cover the significant number of additional staff the Department requested over the past two budget cycles and now to cover the significant expansion of services required under the Katie A settlement as well. I will also venture to say that we can expect to see additional cost increases to the County due to our participation in the Title IVE waiver.

“I am deeply concerned that we are only at the beginning of a cycle of increasing costs and diminishing revenue, and I would like a full scope review of all of the issues that will impact our decision making in the 2008-09 budget and beyond.”

Therefore, on motion of Supervisor Knabe, seconded by Supervisor Yaroslavsky, unanimously carried, the Board instructed the Chief Executive Officer to report back in January, mid-year budget adjustments on the following:

- All additional anticipated costs to the County general fund for child welfare in 2008-09, including additional costs as a result of the Title IVE waiver.
- A robust review of everything that can be done to significantly offset the \$28 million we are paying out this year for the Katie A plan, as well as any other costs to the County general fund over our matching obligations.
- A written analysis that explores ways of and the potential impact of reducing the current overmatch to the DCFS budget.

(Continued on Page 8)

36 through 36.10 (Continued)

36.6

Supervisor Yaroslavsky made the following statement:

“Effective transition programs for juveniles and young adults are necessary to help reduce recidivism. In addition to appropriate assessment and treatment within juvenile facilities, a smooth transition from detention back to the community is essential. Without it, youth are often left without the supports necessary to combat the negative influences which contributed to their delinquent behavior.

“InsideOUT Writers (IOW) is a unique program which has been successful in providing writing based treatment programs within the Juvenile Hall since its creation in 1995 by Sister Janet Harris, the Chaplain at Central Juvenile Hall. While incarcerated, youth in the IOW program learn to express their anger, frustration and disappointments through writing rather than violence. IOW teachers interact with the youth every week while they are detained; a RAND study conducted in 2006 found the IOW program to have a positive impact on the youth and that it produced good overall outcomes.

“Presently, IOW focuses its writing program and treatment efforts inside all three juvenile halls, the county jail and the Division of Juvenile Justice, but has not expanded to include those students as they transition back into the community. The goal of the new IOW Alumni Support Center is to reduce crime and recidivism rates by providing mentors and transition services to these youth upon their release from detention facilities. The goal of the new IOW Alumni Support Center is to reduce crime and recidivism rates by providing mentors and transition services to these youth upon their release from detention facilities. The Alumni Support Center will be housed in the Hollywood area close to public transportation, and services will include ongoing writing programs, training in life skills, education, job development and scholarships.”

Therefore, on motion of Supervisor Yaroslavsky, seconded by Supervisor Burke, unanimously carried, the Board instructed the Chief Executive Officer to appropriate \$250,000 in ongoing funds from the Third District Provisional Financing Uses Account to the Probation Department for the funding of the InsideOUT Writers Alumni Support Center as a Pilot Program.

(Continued on Page 9)



36 through 36.10 (Continued)

36.7

Supervisor Yaroslavsky made the following statement:

“On June 18, 2007, the Board of Supervisors instructed the Chief Executive Officer (CEO) and the Department of Public Health (DPH) to identify potential funding for implementation of a methamphetamine (meth) prevention, intervention and treatment program for the target populations outlined in a DPH report of April 10, 2007. In response to the Board’s instruction, the CEO has recommended \$750,000 in one-time funding per year for two years for the provision of countywide meth prevention services.

“Although prevention services are an essential component to addressing the meth epidemic, intervention and treatment services are key elements for a successful comprehensive strategy addressing this public health issue. Additional funding for intervention and treatment services, in conjunction with the \$750,000 allocation for prevention services, will allow DPH and community service providers to better respond to the meth epidemic in Los Angeles County.”

Therefore, on motion of Supervisor Yaroslavsky, seconded by Supervisor Burke, unanimously carried, the Board instructed the Chief Executive Officer to appropriate \$1 million in ongoing funds allocated in the Provisional Financing Uses Budget to the Third Supervisorial District to the Department of Public Health beginning in Fiscal Year 2007-08 for the expansion of methamphetamine intervention and treatment services within the Third Supervisorial District focusing on the target populations identified in the April 10, 2007 report.

36.8

The following statement was entered into the record for Supervisors Molina and Antonovich:

“Leading economic indicators are showing a flattening of economic growth not only nationally but here in Los Angeles County. Property taxes now represent over 61% of the County’s discretionary revenues and a slower housing market can have a significant impact on Los Angeles County’s fiscal condition.

(Continued on Page 10)

36 through 36.10 (Continued)

36.8 (Continued)

“For Fiscal Year 2006-07, actual property tax grew by 8% which was 2.8% below the CEO’s original estimate of 10.8%—approximately \$70 million less than originally expected. The percentage of unpaid property tax bills rose by 52% between Fiscal Year 2005-06 and Fiscal Year 2006-07. At the close of Fiscal Year 2006-07, Proposition 172 (Public Safety Sales Taxes) revenues were down by 0.1% from Fiscal Year 2005-06 and 5.6% under what was projected, resulting in a \$40.7 million adjustment to the Fiscal Year 2007-08 adopted budget.

“According to the UCLA Anderson School of Economics, housing prices are forecast to decline 10 to 15% from their peak. Although they are not currently forecasting a recession,”... When the economy slows to a very low rate of growth, it doesn’t take much to tip you into a recession.

“Los Angeles County needs to ensure it is in a position to manage its finances in such a way that critical and mandated services are not impacted and the County is poised to weather a potential downturn in the economy.”

Therefore, on motion of Supervisor Molina, seconded by Supervisor Antonovich, unanimously carried, the Board instructed the Chief Executive Officer to:

1. Closely monitor key revenue indicators and provide a report to the Board by the end of January 2008 that updates the revenue forecasts included in the Fiscal Year 2007-08 adopted budget to ensure we are on track for receiving the revenues budgeted; and
2. Should the revenue projections show that there will be projected shortfalls, identify solutions that avoid disruption in critical and mandated services. Such solutions could include freezing non-critical vacant positions and delaying non-critical initiatives or equipment purchases.

(Continued on Page 11)

36 through 36.10 (Continued)

36.9

On motion of Supervisor Molina and by common consent, there being no objection, the Board instructed the Chief Executive Officer to transfer only \$1.5 million of the County Channel/Press Room Refurbishment allocation from the Chief Executive Officer Capital Project/Refurbishment budget to Provisional Financing Uses, leaving \$500,000 for consultants and other vital services.

36.10

Supervisor Antonovich made a motion to remove the Clean Water Initiative portion from the Budget.

William T Fujioka, Chief Executive Officer and Don Wolfe, Director of Public Works answered questions posed by the Board regarding the \$7 million in program funding to develop a parcel fee proposal to support the County's Clean Water Initiative. Mr. Fujioka indicated that he would return to the Board with recommendations relating to what exactly constitutes the First Phase of the project, and will develop a strategy to secure Federal funding.

After discussion, Supervisor Yaroslavsky made a substitute motion that the Board instruct the Chief Executive Officer to:

1. Transfer \$3.5 million of the \$7 million program funding for the Clean Water Act Initiative from the Chief Executive Officer Budget Executive to Provisional Financing Uses Budget;
2. Report back to the Board in 30 days on responses to an expedited Request for Information for the selection of a consultant.

Said substitute motion was duly carried by the following vote: Ayes: Supervisors Molina, Burke and Yaroslavsky; Noes: Supervisors Knabe and Antonovich.

Dorothy Loehl, addressed the Board regarding the Department of Health Services budget.

(Continued on Page 12)

36 through 36.10 (Continued)

In conclusion, the Board took the following actions, which were duly carried by the following vote: Ayes: Supervisors Molina, Burke, Knabe and Yaroslavsky; Noes: Supervisor Antonovich:

1. Approved the Chief Executive Officer's attached recommendations as amended by the foregoing motions; and
2. Continued two weeks to October 9, 2007 at 1:00 p.m. the item related to the Department of Health Services appropriation (Budget Adjustment No. 96).

Supervisor Knabe made a motion, seconded by Supervisor Antonovich, that the Board reconsider the foregoing action. Said motion failed to carry by the following vote: Ayes: Supervisors Knabe and Antonovich; Noes: Supervisors Burke and Yaroslavsky (Supervisor Molina being absent).

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### Attachment

Copies distributed:  
Each Supervisor  
Auditor-Controller  
Chief Executive Officer  
All Department/District Heads